



INDIAN INSTITUTE OF MATERIALS MANAGEMENT

June 2015

Post Graduate Diploma in Logistics Management

Paper No 7(OLD)

Legal Aspects And Import/Export Procedure

Date : 15.06.2015

Max Marks: 100

Time : 2.00 p.m to 5.00 p.m.

Duration: 3 hours

Instructions:

1. From Part A: answer all questions (compulsory) Each sub-question carries 1 mark **Total marks – 32**
2. From Part B: answer any 3 out of 5 questions Each question carries 16 marks. **Total marks – 48**
3. Part C is a case study with sub-questions (compulsory). Read the case study and answer all the questions.
4. Please read and follow the instructions given in the answer sheet carefully. **Total marks – 20**

PART-A

(32 x1 =Total: 32 Marks)

Q.1}Select the most appropriate answer from the options given:

8 marks

1. Bill of lading is issued in the case of shipment by:

- a. sea
- b. air
- c. road
- d. rail

2. AWB is issued in the case of shipment by:

- a. rail
- b. air
- c. ship
- d. d.road

3.RCMC is issued by:

- a. RBI
- b. SBI
- c. DGFT
- d. None of the above

4 World Bank was set up in:

- a. 1984
- b. 1992
- c. 1944
- d. 1994

5. Exim Policy is administered by the Ministry of

- a. External Affairs
- b. Finance
- c. Home
- d. Commerce

6. The extent of loss on account of political or commercial risks covered by ECGC is only:

- a. 50%
- b. 60%
- c. 90%
- e. 40%

7. IMF is headquartered in

- a. New York
- b. Washington
- c. New Delhi
- d. Tokyo

8. The 8th round of multilateral trade negotiations held under the auspices of GATT is known as the:

- a. Uruguay round
- b. Sri Lanka round
- c. Paris Round
- d. Brazil round

Q.2] Write the full form of the following:

8 marks

- 1. TRIPs
- 2. TRIMs
- 3. RCMC
- 4. BIS

5. MFA
6. EOUs
7. HSN
8. VERs

Q.3] State whether the following statements are true or false:

8 marks

1. The balance of trade takes into account only the transactions arising out of export and import of visible items.
2. GATT was converted to WTO w.e.f 1-1-1995.
3. Airway bill is a negotiable document.
4. Risk of insolvency of foreign buyer is not covered under ECGC policy.
5. Customs duty is an indirect tax.
6. The principles of assessing bill of entry and shipping bill are the same.
7. Three independent methods of valuation of imported goods for customs duty have been provided under the customs act.
8. The letter of credit is not opened at the initiative and request of the buyer.

Q.4] Fill in the blanks:

8 marks

1. Mate receipt is issued by the chief of _____
2. _____ forms are used for export of computer software in non-physical form.
3. GSP is Generalized System of _____.
4. RCMC is valid for _____ years.
5. EXIM bank was set up in _____.
6. D/P means Document against _____
7. Aligned Documentation System was introduced w.e.f.1-10- _____.
8. The customs department functions under the ministry of _____.

PART- B

Total (3x16 = 48) Marks

Answer any three from the following questions

Q.5] Write short notes on: (any 4)

16 marks

- a. Global sourcing
- b. Bill of lading
- c. International Development Association
- d. GATT
- e. EXIM policy
- f. Export Promotion Councils

Q.6]

16 marks

- a. What is letter of credit? Name the various parties to the letter of credit.
- b. Discuss the different kinds of letters of credit.

Q.7]

16 marks

- a. What is balance of payments disequilibrium? Discuss the factors causing a disequilibrium.
- b. List out the obligations of an exporter under ECGC policy.

Q.8]

16 marks

- a. Discuss the important factors that have contributed to the growth of the Euro-Dollar Market.
- b. Explain the purposes and functions of International Monetary Fund.

Q.9] Distinguish between: (any 4)

16 marks

- a. Balance of Trade and Balance of Payments
- b. Advance payments and Open trading Account
- c. Irrevocable credit and confirmed credit
- d. Current account and Capital account
- e. Options and Forward contracts
- f. Revolving credit and red clause credit

Part C – (Compulsory)

Total : 20 Marks).

Q.10] ABC Limited wants to know the incidence of customs duties on the import of certain capital goods from USA for their project in India based on the following data-

- [a] Price of goods from USA- US dollars 30000 FOB
- [b] Marine Insurance - 1% of FOB
- [c] Ocean Freight - 2% of FOB
- [d] Landing charges - 1% of CIF value
- [e] Assessable Value [AV] - CIF value + Landing charges
- [f] Basic Custom Duty - 10 % on AV
- [g] CVD - 8 % on [AV + BCD]
- [h] SAD - 4% on [AV + BCD + CVD]
- [i] Exchange Rate - 1 US dollar= 60 rupees

Please work out the following for the use of ABC Limited-

- 1] CIF value in INR
- 2] Assessable Value in INR
- 3] Basic Customs Duty in INR
- 4] CVD in INR
- 5] SAD in INR

The amount may be rounded off to the nearest rupee. Any additional data necessary may be assumed.
